# Sweet potatoes get more budget mentions than financial advice

*Independent Financial Adviser ([www.ifa.com.au](http://www.ifa.com.au))*

*Keith Ford*

**The government found room for a sweet potato levy reduction in the federal budget, yet financial advice didn't rate a mention.**

Tuesday evening's federal budget was, as is becoming customary, something of a non-event for financial advisers.

In an effort to secure some relief from the rising cost of running an advice business, the Financial Advice Association Australia (FAAA) put together a budget wish list, which included a fairer Australian Securities and Investments Commission (ASIC) funding levy, managed costs for the Compensation Scheme of Last Resort (CSLR), improved tax deductibility for financial advice, increased support for adviser education, and a reversal of proposed changes to reduced input tax credits for advice fees.

Unfortunately, this fell on deaf ears.

On Tuesday night, FAAA chief executive Sarah Abood expressed disappointment in the government continuing to ignore the financial advice profession's calls for relief.

"Minister Stephen Jones has acknowledged the importance of financial advice but there is little remedy for the skyrocketing costs that advisers have been and will continue to pay," Abood said.

"Much of these costs will inevitably be passed on to consumers, further raising the cost of professional financial advice that more Australians need more than ever."

In fact, financial advice was not mentioned once in either Treasurer Jim Chalmer's speech or the hundreds of pages of budget documents.

That's less than sweet potatoes, which not only got a mention but a levy reduction.

From 1 July 2024, the government will decrease the marketing component of the agricultural levy and charge on sweet potatoes from 1.0 per cent of sale value to nil. This change will decrease the overall levy rate on sweet potatoes from 1.5 per cent to 0.5 per cent.

Phil Anderson, FAAA general manager policy, advocacy and standards, said this "was a bit symbolic".

Indeed, if anything, levies on advisers will increase as a result of the budget.

Among the increases to ASIC's funding in the budget was $206.4 million over four years from 2024–25 (and $7.2 million per year ongoing) to improve the data capability and cyber security of the Australian Prudential Regulation Authority (APRA) and ASIC, and to continue the stabilisation of business registers and modernisation of legacy systems.

"The cost of this measure will be partially met from cost recovery through ASIC and APRA industry levies," the budget documents noted.

Anderson particularly noted the funding for registers as important for advisers.

"There was supposed to be a transfer of the registers from ASIC to the ATO that the government then decided not to do and obviously, this particular one signals that the government is looking at enhancing or rebuilding the registers within ASIC," Anderson said.

"I think anytime they are going to provide additional money to ASIC, unless they say otherwise, we can assume that there's a risk that it will be caught in the industry funding levy.

"Where it refers to registers, we have the AR register, we have the financial adviser register, we probably pick up a proportion of the cost of the AFSL registers. So, they are going to charge us."

He did note that "we've always got to be supportive of tax reductions", adding that the "small amount" of energy rebates is good from a cost-of-living perspective, and reiterated the FAAA's support of Digital ID and AML/CTF measures.

However, "it's a bit tough trying to find something to be excited about".

*15 May 2024*